

Memorandum then lists RAF and British Army requirements and points out these set forth in detail in appendices. Total of European supervisory personnel estimated at 3,000 and of inspectors at 300 but Foreign Office states both very rough estimates and if main contractor were reliable commercial corporation number of inspectors could be much smaller.

UK would have right to approve any contractor. Some American contractors could be employed if US agreed. Number of civilian contracts might be progressively reduced by training Egyptians. Egyptian military authorities would be responsible for security of stores, installations, et cetera in base. *End summary.*

Would appreciate Department's comments soonest.

ALDRICH

No. 1317

141.56374/4-354: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*¹

TOP SECRET

CAIRO, April 3, 1954—3 p. m.

1243. As its outlines become clearer I am increasingly persuaded that British are now on right track in Suez base negotiations. Following are my comments regarding London's 4342, April 2 to Department:

1. We must avoid at all costs, resurrecting in minds of Egyptians fear of United States-United Kingdom "gang-up". I think joint presentation would have exactly this effect; same would be true of formal parallel representation. As I have said before, Nasir is only one with enough will and guts to make and defend a settlement. I suggest best tactic would be for me to make first move with Nasir privately. I would tell him more or less: "United States and United Kingdom have been working hard to find a compromise which meets our needs and your needs. We have found a formula which United States strongly advises you to accept. Stevenson will give you the details. I will be constantly available in background." Next move would be for Stevenson to tell Nasir about proposals and work out with him most effective manner of presentation to Egyptian negotiating team. (On this, only Nasir in position to advise.)

2. I prefer idea of starting with bilateral Anglo-Egyptian agreement. After Anglo-Egyptian agreement well along in negotiations with United States helping behind the scenes, we will be in better

¹ Repeated to London as telegram 410.